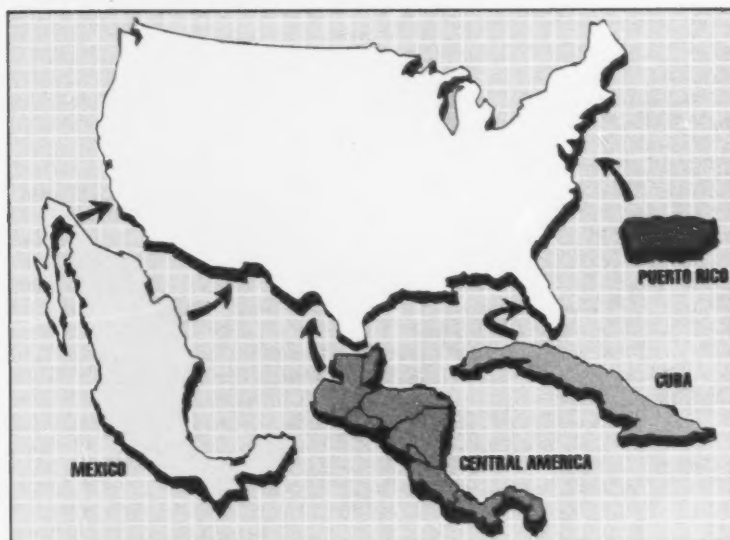




INTERNATIONAL

January 1987

83rd Year, Vol. 161
Number 1, ISSN-00119-3364



Hispanic immigration creates marketing opportunity. See page 20.

NEWS

- 8** • Constitution bicentennial tries to avoid the pitfalls of the glitzy Statue of Liberty event.
- National Association of Security Dealers asks SEC to ban non-cash awards for financial planners.
 - New sales promotion division at Seagram is part of a bigger growth picture.
 - Pentax's adage: If at first a competitor's promotion does not succeed, try it again.
 - Corporate buyers reveal problems with travel suppliers.

FEATURES

20 THE HISPANIC CONSUMER

A new immigration bill unleashes an untapped market: An estimated five million former illegal aliens are prey for marketers.

24 USING CELEBRITIES

Given a good match with group demographics and budget, a celebrity makes a great addition to an incentive program. But a third-party service is recommended.

29 INTERNATIONAL TRAVEL BUYERS' DIRECTORY 1987

IM presents the largest directory of its kind ever published.

- How to use this guide
- Index
- Incentive companies
- Airlines
- Cruise lines
- Hotel chains
- Sales representatives
- Assns./Show mgmt.
- United States
- Canada
- Mexico
- Caribbean/Bahamas
- Central America
- South America
- Europe
- Africa
- Middle East
- Asia
- South Pacific
- Travel update: Austria
- Incentive travel overview

DEPARTMENTS

- 6 Viewpoint**—Recent ethical questioning of incentives aimed at financial planners should be evaluated from a broader perspective.
- 14 Measurement Systems**—New column promotes quantitative measurement of productivity and program results. This month: Gain sharing.
- 16 Marketplace**

Incentive Marketing (USPS 910-960) is published monthly by Bill Communications Inc., 633 Third Ave., New York, N.Y. 10017. Subscriptions: US/Canada: \$32. Foreign: \$45. Single Copies: \$3. December Facts Issue: \$15. Copyright 1987 by Bill Communications Inc., all rights reserved. Postmaster: Send change of address to INCENTIVE MARKETING, Circulation Dept., 633 Third Ave., New York, N.Y. 10017. Second Class postage paid at New York, N.Y. and at additional mailing offices.



Incentive Travel Overview

Travel spending grew at almost twice the rate of the incentive field as a whole last year.

American companies boosted their incentive travel spending by 6.5 percent in 1986, a healthy albeit more moderate growth level after two years of better than 10 percent growth. Spending jumped by \$100 million over 1985 figures, to a total of \$1.67 billion.

Despite the drop in growth rate, incentive travel spending still managed to more than double the 2.9 percent growth rate of the incentive field as a whole, according to the 1986 FACTS survey. Incentive travel now accounts for about 13 percent of all incentive spending.

For the second straight year, more money was spent on travel programs for salespeople than for dealers: \$855 million versus \$814 million. The average qualification rate for both sales and dealer awards grew to 36 percent this year from 31 percent.

The hike in qualification levels was not accompanied by any commensurate gain in sales increases during travel programs. In fact, sales results dropped from a record high 21 percent gain in 1985 to 17.8 percent—about the same as 1984.

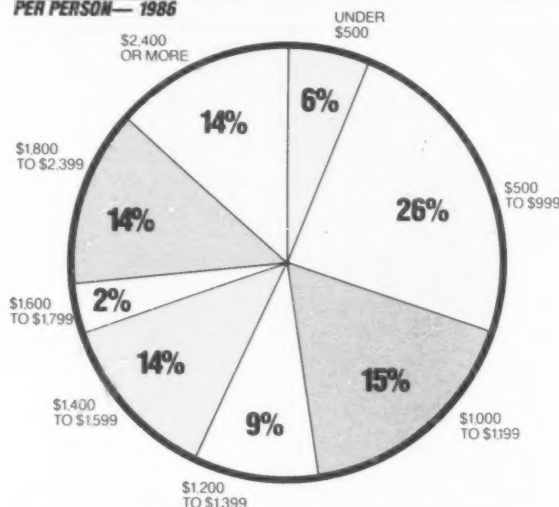
At the same time, travel pro-

grams cost users slightly more this year in terms of cost versus incremental sales gain. The ratio rose to a median of 8 percent, compared to 6 percent last year. The unit cost of an incentive trip remained at a \$1,200 median.

While individual travel awards are becoming more popular, 56 percent of executives responding to the FACTS survey still favor group trips. The average group size in 1986 was 157, up from 148; the median remained at 75.

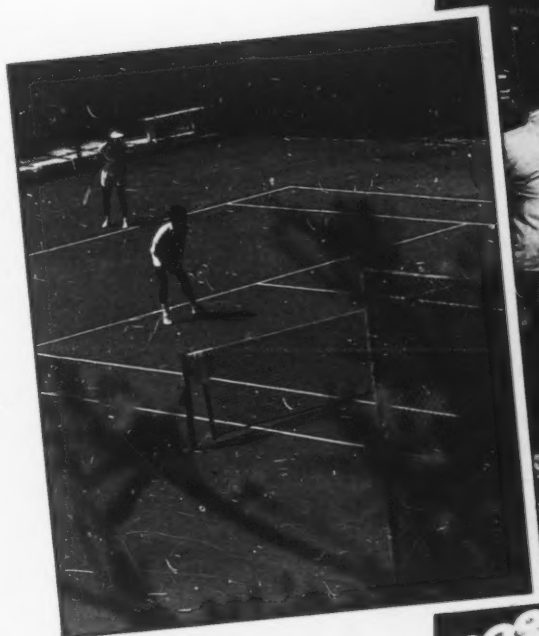
COST OF INCENTIVE TRIP

PER PERSON—1986



AVERAGE \$1,376
MEDIAN \$1,200

PER COUPLE COST
APPROXIMATELY DOUBLE
(92% INCLUDE SPOUSES)



Sales results dropped from a record high 21 percent gain during travel promotions in 1985 to 17.8 percent.



A decline in the use of buy-ins in incentive travel programs was noted in this year's survey: 20 percent of respondents allowed participants who did not achieve the required goal to pay a portion of the trip's cost to attend, down from 24 percent. For those who did buy in, their average cost was 28 percent of the price of the travel award.

With a group of employees in one place, the odds are a company will hold some type of business meeting during an incentive trip. The survey found 53 percent conduct meetings during their group trips. An average of 8.7 hours of business activity is held during trips which average five nights.

Last year brought some change among the destinations most frequently mentioned by survey respondents. Hawaii, the runaway leader, and California moved ahead of Florida among preferred

domestic locations.

In the Western Hemisphere, Mexico (particularly Cancun and Acapulco) was the most popular destination, followed by the Bahamas and the Caribbean, which received equal mentions. England received almost twice as many mentions as any other European country. In the Far East, Hong Kong remained the leading destination.

The insurance industry is still the most avid user of incentive travel programs, spending nearly 50 percent more than electronics, radio and television, the second most aggressive user-industry. Spending on incentive travel by auto makers and the auto parts, tires and accessories industry—the third and fourth largest incentive travel users—declined this year as the auto firms spent their promotional dollars on reduced interest rate offers to sell new cars. ■